

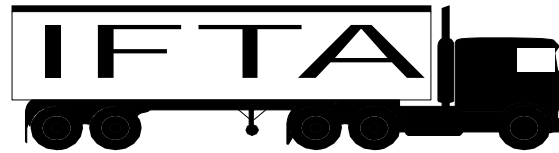
## WHAT JURISDICTIONS ARE MEMBERS OF IFTA?

Over thirty states and Canadian provinces are currently IFTA members. New states and provinces are becoming IFTA members each year. By October 1996, all the contiguous 48 states (except Maine, New Hampshire, and Vermont) will be members of the agreement, and many Canadian provinces will also be members. For information regarding a jurisdiction's membership status, call the Department of Revenue Services at 203-566-5863.

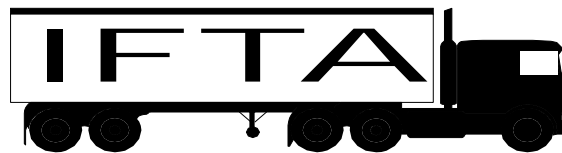
This brochure was prepared by the Connecticut Department of Revenue Services. It does not provide comprehensive explanation of Connecticut tax laws or regulations. Specific questions should be addressed to the Department of Revenue Services at 25 Sigourney Street, Hartford, CT 06105 or 203-566-5863.

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## STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES



# International Fuel Tax Agreement Information



## AN EDUCATIONAL GUIDE TO FUEL TAX IN THE STATE OF CONNECTICUT

This brochure is intended to explain the laws that apply to motor carriers operating under an IFTA license in Connecticut. It contains information to help you operate legally and to answer some of the questions most often asked by motor carriers.

### WHAT IS IFTA?

IFTA is the "International Fuel Tax Agreement" which is a cooperative agreement among many states and Canadian provinces to simplify the permitting of, and reporting of fuel use tax by, interstate motor carriers. Under IFTA, a carrier can obtain his fuel tax license for all qualified motor vehicles and report to his base jurisdiction his fuel used in all jurisdictions which are IFTA members.

### WHAT IS A BASE JURISDICTION?

A jurisdiction is a state in the United States, the District of Columbia, or a province or territory of Canada.

A base jurisdiction is the jurisdiction where:

- your qualified motor vehicles are based for registration purposes, and
- your operations are controlled and records are kept or can be made available, and
- you operate your qualified vehicles.

### WHAT IS A QUALIFIED MOTOR VEHICLE?

For IFTA fuel tax reporting, a qualified motor vehicle is a vehicle that is designed to transport persons or property and that has:

- two axles and a gross vehicle weight or registered gross vehicle weight over 26,000 pounds; or
- three or more axles regardless of weight; or
- when used in combination, a combined gross vehicle weight over 26,000 pounds.

The IFTA definition of a qualified motor vehicle does not include recreational vehicles such as motor homes or pickups with campers.

### WHAT ARE THE ADVANTAGES OF IFTA?

There are several advantages to operating under an IFTA license including:

- a single IFTA license and decals issued by your base jurisdiction will allow you to travel in all IFTA member jurisdictions.
- you will file one fuel tax return in your base jurisdiction to report fuel use in all member jurisdictions. You will be able to make one payment (or receive one refund) which will be a total of all tax due or total credits in all jurisdictions.
- fuel tax audits generally will be done by the base jurisdiction only for all member jurisdictions.

### IF I AM OPERATING A QUALIFIED MOTOR VEHICLE IN CONNECTICUT WILL I BE REQUIRED TO HAVE AN IFTA LICENSE?

Generally, if you are based in Connecticut and will be operating in at least one other IFTA jurisdiction, you must obtain a Connecticut IFTA license and decals. For those carriers based in another jurisdiction that is also an IFTA member, your IFTA license and decals from your jurisdiction will satisfy Connecticut fuel use tax requirements. Carriers based outside Connecticut in non-IFTA jurisdictions must obtain Connecticut fuel tax decals.

However, a carrier may also choose to satisfy motor fuels tax obligations on a trip-by-trip basis. To order a temporary permit, call any of the numbers below:

Cummins	1-800-272-4287
Transceiver	1-800-749-6058
Permicom	1-800-361-1191

WHAT ARE THE TAX REPORTING REQUIREMENTS FOR A MOTOR CARRIER WHO IS LICENSED UNDER IFTA AND WHOSE BASE JURISDICTION IS CONNECTICUT?

Motor carriers licensed under IFTA must submit tax reports each quarter to the Department of Revenue Services. We will provide a tax report and return envelope to you before the end of each quarter.

Quarterly tax reports must be completed and returned with any payment due. We will verify calculations and, where appropriate, give a credit or a refund, whichever is requested. Reports must be filed by their due dates or a penalty of \$50.00 or 10% of the tax due, whichever is greater, will be assessed. Interest is calculated on tax due to all member IFTA jurisdictions.

AM I REQUIRED TO CARRY A COPY OF THE LICENSE IN EACH VEHICLE?

Yes. After your application is processed, you will receive your licence and the number of decals you requested. Decals must be displayed on the lower rear exterior of each side of the cab.

A copy of the license must be kept in the cab of each vehicle. It is a good idea to keep the original in a safe place so copies can be made if additional vehicles are added later. You may wish to order extra decals to have on hand in case one is destroyed or you purchase a new truck.

HOW OFTEN WILL I HAVE TO RENEW MY IFTA LICENSE?

The IFTA license is good January 1 through December 31. Each year current license holders will receive a renewal application. The carrier must complete the application and indicate the number of decals needed. New decals are issued each year and you are required to have two for each vehicle. Additional decals can be ordered at any time during the year.

HOW OFTEN WILL I BE REQUIRED TO FILE AN IFTA REPORT?

All new IFTA accounts are set up on a quarterly filing basis. If you have limited mileage (less than 5,000 miles per year in all IFTA jurisdictions outside of Connecticut) you may request annual filing after your first year. Your request must be submitted in writing and will be reviewed by your base jurisdiction, then submitted to all other member jurisdictions. If any member jurisdiction objects, your request will be denied.

RETURN AND TAX DUE ON OR BEFORE	
January, February, March	April 30th
April, May, June	July 31st
July, August, September	October 31st
October, November, December	January 31st

MUST I FILE A REPORT EVEN IF DO NOT OPERATE FOR THE QUARTER?

Yes. It is important that you file the IFTA return each quarter even if there is no fuel use to report. You will be charged a minimum penalty of \$50.00 if you fail to file a timely return.

HOW DO I REGISTER FOR THE IFTA PROGRAM?

Applications for registration may be obtained by contacting the Registration Unit of the Department of Revenue Services at 203-297-4872.

IF I AM LICENSED UNDER THE IFTA PROGRAM, WILL I STILL BE REQUIRED TO FILE ANY ADDITIONAL REPORTS WITH THE OTHER STATES?

Possibly. If the state you are travelling in regulates mileage as well as fuel (such as the ton mileage tax in New York), you will still be responsible for filing that report directly with them.

If you are currently paying a ton mileage tax, you must continue to file these reports IN ADDITION to your IFTA report.

WHAT KIND OF RECORDS AM I REQUIRED TO KEEP AND HOW LONG SHOULD I KEEP THEM?

You should keep all records that relate to the purchase and use of fuels and all mileage records for each permitted vehicle. Records should be kept for at least four years.

FUEL RECORDS SHOULD INCLUDE AT MINIMUM THE FOLLOWING:

- Fuel receipts
- Date of purchase
- Seller's name and address
- Number of gallons or liters purchased
- Price per gallon or liter or total amount of purchase
- Unit number of vehicle
- Unit numbers of vehicles for which fuel is withdrawn from bulk storage
- Purchase and inventory records to show tax paid on bulk storage if claiming a credit
- Summary records showing separate totals for each fuel type

MILEAGE RECORDS SHOULD CONTAIN AT LEAST THE FOLLOWING:

- trip origin and destination
- travel route with pickup and delivery locations
- Hubometer or odometer reading for trip beginning and ending and at crossing of each state border
- Total trip miles
- Taxable and nontaxable miles
- Mileage recaps for each vehicle for each state or jurisdiction
- Name of registered owner
- Name of driver

CAN I CLAIM A CREDIT ON MY IFTA RETURN FOR USING OFF-HIGHWAY FUEL?

There is no provision in the IFTA agreement for making this type of adjustment. If you are using off-highway fuel and are entitled to a refund, you may apply using an AU-724 for boat and commercial uses, AU-725 for farm exemptions, or AU-736 for bus exemptions. You must have purchased at least 200 gallons to apply and all requests must be postmarked by March 31st of the following year to be valid. If you have any questions concerning these refunds, or need any of the above mentioned forms, please call 203-566-3594.

IF I AM OPERATING ON A LEASE AGREEMENT WHO SHOULD PAY THE FUEL TAX?

On a short term lease (30 days or less), the registered owner will be responsible for reporting fuel use tax. If the lease is long-term (31 days or more), the lessor and lessee may decide which party will be responsible for reporting and paying the fuel use tax. The lease agreement should state who will be responsible for the fuel use tax. A copy of the agreement should be carried in the vehicle.

HOW DO I DETERMINE TAXABLE MILEAGE?

Each jurisdiction may have its own definition of taxable mileage. If you will be operating in several jurisdictions you may wish to contact each jurisdiction in which you might have nontaxable miles (such as the Massachusetts Turnpike mileage). In Connecticut all miles are taxable.

IFTA DOES NOT ELIMINATE YOUR RESPONSIBILITIES WITH OTHER CONNECTICUT STATE AGENCIES

In addition to the fuel use tax requirements, you are expected to comply with the other Connecticut motor carrier requirements, including vehicle licensing (IRP) and operating authority.